

Auditing Procedures Report v1.04

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Issued under Public Act 2 of 1968, as amended.

Unit Name	VILLAGE OF BEULAH	County	BENZIE	Type	VILLAGE	MuniCode	10-3-020
Opinion Date-Use Calendar	Jun 6, 2008	Audit Submitted-Use Calendar	Jun 30, 2008	Fiscal Year-Use Drop List	2007		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/>	18. Are there reported deficiencies?
<input type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 382,009.00
General Fund Expenditure:	\$ 295,445.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 645,561.00
Governmental Activities Long-Term Debt (see instructions):	\$ 0.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	DAVID	Last Name	WILSON	Ten Digit License Number			1101013769
CPA Street Address	PO BOX 205	City	INTERLOCHEN	State	MI	Zip Code	49643
CPA Firm Name	WILSON, WARD CPA FIRM	Unit's Street Address	72287 COMMERCIAL	City	BEULAH	LU Zip	49617

VILLAGE OF BEULAH
BENZIE COUNTY, MICHIGAN

INDEPENDENT AUDITOR'S REPORT

For Year Ended
December 31, 2007

Wilson, Ward CPA Firm
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June 06, 2008

To The Village Board
Village of Beulah
Traverse City, Michigan

We have audited the financial statements of the Village of Beulah for the year ended December 31, 2007 and have issued our report thereon dated June 12, 2008. Professional standards require that we provide you the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated June 11, 2007 our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Accounting Policies

Management has the responsibility for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement, we will advise management of the appropriateness of the accounting policies and their application. The significant accounting policies used by the Village of Beulah are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Village of Beulah's books during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transactions occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Audit Adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements of the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Comments

The segregation of duties continues to be an issue in both the coordination of bank reconciliations and the account distribution. Because a third party performs all of the accounting, it is necessary for the Treasurer to formally acknowledge both the bank reconciliation and the account distribution made by the third part accountant.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We wish to thank the staff for their support and assistance during our audit.

This information is intended solely for the use of the Village Board, and management of the Village of Beulah and is not intended to be and should not be used by anyone other than these specified parties.

Wilson, Ward CPA Firm

Interlochen, MI
June 12, 2008

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INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Beulah
Beulah, Michigan

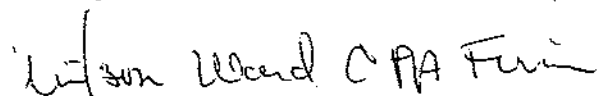
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Beulah, Michigan as of and for the year ended December 31, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. The comparative statements carry values audited by other auditors in the prior year whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included is based on that report. These general purpose financial statements are the responsibility of the Village of Beulah's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Beulah, Michigan as of December 31, 2007, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 12, 2008 on the Village of Beulah's internal control and compliance with laws and regulations.



Interlochen, MI
June 12, 2008

Village of Beulah

Management Discussion and Analysis

This discussion and analysis provides an overview of the Villages's financial activities for the fiscal year ended December 31, 2007. Please read it in conjunction with the Village's financial statements.

Financial Highlights:

- The Village's net assets changed slightly with a 3 percent decrease attributed to depreciation.
- Business-type activity revenues decreased slightly less than the significant increase in expenditures. Fee increases were approved to cover this deficit.

Using this Annual Report:

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide financial statements.

The Fund Financial Statements present a short-term view; they tell us how the taxpayer's resources were spent during the year, as well as how much is available for future spending. Fund Financial Statements also report the Village's operations in more detail than the Government-Wide Financial Statements by providing information about the Village's most significant funds. The Fiduciary Fund Statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Village's Most Significant Funds:

1. Government Fund Types use modified accrual basis and include -

The *general funds* account for fiscal resources in use for general types of operations. The general fund is a budgeted fund and any fund balances are considered as resources available for use. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

The *special revenue funds* account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action. These funds are employed to maintain integrity for the various sources of funds.

The *capital projects funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

2. Fiduciary fund types include -

The *Trust and Agency Fund* is unbudgeted and accounts for activities within those areas where the Village is operating in either a trust or agency status. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the Village.

3. Proprietary fund types include -

The *enterprise funds* use the full accrual basis for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or, (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Village as a Whole:

The following table shows a comparison of current and previous year net assets:

Assets	2007	2006
Cash	1,189,997	1,210,959
Other Current Assets	278,623	291,410
Capital Assets Net	<u>2,685,172</u>	<u>2,786,270</u>
Total Assets	4,153,792	4,288,639
Liabilities and Net Assets		
Liabilities	914,760	910,775
Net Assets	<u>6,239,032</u>	<u>3,377,864</u>
Total Liabilities and Net Assets	4,183,573	4,288,639

Governmental Activities:

	2007	2006
Revenues		
Taxes	245,345	198,779
State Grants	86,486	89,444
Interest	28,525	29,753
Charges for Services	73,467	75,928
Other	<u>2,914</u>	<u>39,650</u>
Total Revenue	436,737	433,554
Expenditure	308,714	411,217
Transfers	<u>(61,376)</u>	<u>(9,953)</u>
Excess Revenue	78,897	12,384

Business Type Activities:

The Village's business-type activities consist of the Sewer Fund, Water Fund and Sewer Construction Fund. The Village provides water from the Village water system to 95% of the Village's residents. The Village also provides sewage treatment to approximately 95% of the Village residents.

Overall revenues for these funds increased 26% since 2006.

	Sewer & Water	
	2007	2006
Operating Revenue	242,610	231,187
Operating Expense	(82,796)	(260,438)
Depreciation	(120,904)	(144,119)
Non-operating income (Expense)	<u>75,753</u>	<u>74,912</u>
Income (Loss)	114,663	(98,458)

The Village's Funds:

Our analysis of the Village's major funds begins in the supplemental data following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Village as a whole. The Village Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities such as special property tax millages.

The General Fund pays for most of the Village's governmental services. The amount transferred from the General Fund for Water and Sewer is supported by an operational budget approved by the Village Board and included the use of reserve funds.

General Fund Budgetary Highlights:

Over the course of the year the Village Board was able to maintain the Village departments within their prescribed budgets resulting in total Village expenditures being below budget.

Capital Asset and Debt Administration:

Capital Assets

The Village made some minor capital purchases in 2007. Total net assets are described in the table located in Note 4 of the footnotes.

Debt

The Village acquired no additional debt in 2007. Existing long-term debt was reduced as shown on the schedules below:

	Beginning Balance	Additions	Retirements	Ending Balance
Bonds Payable				
1999 Limited Tax Sewer	105,000		5,000	100,000
1999 Unlimited Tax Sewer	<u>799,127</u>		<u>55,000</u>	<u>744,127</u>
	904,127		60,000	844,127

Economic Factors and Next Year's Budgets and Rates:

The Village budget for 2008 is reflective of the Village's financial status. The budget has been set to allow for an improvement in the Village's assets and subsequent financial.

General Overview of the Accomplishments of Beulah Charter Village in the 2007 Fiscal Year:

The Village finances have been managed very closely in 2007. The Village is in a very healthy state as a whole.

Contacting the Village's Management:

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact our office at 7226 Commercial, PO Box 326, Beulah, MI 49617.

VILLAGE OF BEULAH
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, investments and cash equivalents	\$879,437	\$310,560	\$1,189,997
Receivables (net)	0	9,483	9,483
Prepaid Expenditures	0	0	0
Inventories	\$1,040	22,500	23,540
Work in Process		48,147	48,147
Due From Tax Fund	\$169,808	27,645	197,453
Capital Assets, net	545,051	2,146,635	2,691,686
Total Assets	<u>1,595,336</u>	<u>2,564,970</u>	<u>4,160,306</u>
LIABILITIES			
Accounts payable	6,685	0	6,685
Deferred revenue	0	0	0
Due to Other Agencies	20,474	23,000	43,474
Noncurrent liabilities	0	0	0
Due within one year	0	60,000	60,000
Due in more than one year	0	817,127	817,127
Total Liabilities	<u>27,159</u>	<u>900,127</u>	<u>927,286</u>
NET ASSETS			
Invested in capital assets, net of related debt	545,051	1,269,508	1,814,559
Restricted			0
Unrestricted (deficit)	\$1,023,126	395,335	1,418,461
Total Net Assets	<u>1,568,177</u>	<u>1,664,843</u>	<u>3,233,020</u>
Total Liabilities and Net Assets	<u>\$1,595,336</u>	<u>\$2,564,970</u>	<u>\$4,160,306</u>

The footnotes are an integral part of these Financial Statements.

VILLAGE OF BEULAH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Assets Primary Government Governmental Activities	Business-type Activities	Total
Primary government					
Governmental activities:					
Legislative	\$25,687	\$0	(\$25,687)	\$0	(\$25,687)
General government	89,478	0	(\$89,478)	0	(89,478)
Public safety	300	0	(300)	0	(300)
Public works	123,435	73,467	(\$49,968)	0	(49,968)
Health and Welfare	4,918	0	(4,918)	0	(4,918)
Community and Economic Development	29,754	0	(29,754)	0	(29,754)
Recreation and Culture	25,136	0	(25,136)	0	(25,136)
Other	52,454	0	(52,454)	0	(52,454)
Interest on Long Term Debt	0	0	0	(22,603)	(22,603)
Total Governmental Activities	351,162	73,467	(277,695)	(22,603)	(300,298)
Business Type Activities					
Enterprise Funds	354,819	242,610	0	(112,209)	(112,209)
Total Primary Government	705,981	316,077	(277,695)	(134,812)	(412,507)

General revenues:

Taxes				
Property Taxes-general	245,345	54,573	299,918	
Property Taxes-debt service	0	0	0	
State-Shared Revenues	86,486	0	86,486	
Unrestricted Investment Earnings	28,525	4,742	33,267	
Franchise taxes	12,250	0	12,250	
Contributions	0	0	0	
Miscellaneous	2,914	0	2,914	
Transfers	(61,376)	100	(61,276)	
Total General Revenues-Special Items and Transfers	314,144	59,415	373,559	
Changes in Net Assets	36,449	(75,397)	(38,948)	
Net Assets - Beginning	1,531,728	1,740,240	3,271,968	
Net Assets - Ending	\$1,568,177	\$1,664,843	\$3,233,020	

The footnotes are an integral part of these Financial Statements.

VILLAGE OF BEULAH
Comparative Balance Sheet
Governmental Funds
December 31, 2006 & December 31, 2007

	General Fund		Major Street Fund		Local Street Fund		Public Improvement Fund		Non-Major Governmental Funds		Total	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
ASSETS												
Cash	\$374,961	501,872	\$91,891	\$91,248	\$50,017	\$32,237	\$238,225	\$248,948	\$5,098	\$5,132	\$760,212	\$879,437
Taxes Receivable	0										0	0
Inventory	7,451	1,040									7,451	1,040
Due From Other Funds	181,053	169,808							2,180	0	183,233	169,808
Total Assets	563,465	672,720	91,891	91,248	50,017	32,237	238,225	248,948	7,278	5,132	950,896	1,050,285
LIABILITIES AND FUND EQUITY												
LIABILITIES:												
Accounts Payable	4,468	6,685									4,468	6,685
Due to Other Funds		20,474									0	20,474
Deferred Taxes	0								2,180	0	2,180	0
Total Liabilities	4,468	27,159	0	0	0	0	0	0	2,180	0	6,648	27,159
FUND EQUITY:												
Fund Balance:												
Unreserved	558,997	645,561	91,891	91,248	50,017	32,237	238,225	248,948	5,098	5,132	944,248	1,023,126
Total Fund Equity	558,997	645,561	91,891	91,248	50,017	32,237	238,225	248,948	5,098	5,132	944,248	1,023,126
Total Liabilities and Fund Equity	\$563,465	\$672,720	\$91,891	\$91,248	\$50,017	\$32,237	\$238,225	\$248,948	\$7,278	\$5,132	\$950,896	\$1,050,285

The footnotes are an integral part of these Financial Statements.

VILLAGE OF BEULAH
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Funds
For the Year Ended December 31, 2006 & December 31, 2007

	General Fund		Major Street Fund		Local Street Fund		Public Improvement Fund		Non-Major Governmental Funds		Total	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
REVENUES												
Taxes	\$196,650	\$245,345	\$0	\$0	\$0	\$0	\$0	\$0	\$2,129	\$0	\$198,779	\$245,345
State Shared	31,767	31,193	38,745	37,494	18,932	17,799	0	0	0	0	89,444	86,486
Licenses and Permits	14,593	12,250	0	0	0	0	0	0	0	0	14,593	12,250
Charges for Services	75,928	73,467	0	0	0	0	0	0	0	0	75,928	73,467
Interest	18,835	16,840	730	631	305	298	9,496	10,722	327	34	29,693	28,525
Contributions & Donations	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements	19,872	2,914	0	0	0	0	0	0	0	0	19,872	2,914
Refunds	0	0	0	0	0	0	0	0	0	0	0	0
Other	19	\$0	0	0	0	0	0	0	0	0	19	0
Total Revenues	357,664	382,009	39,475	38,125	19,237	18,097	9,496	10,722	2,456	34	428,328	448,987
EXPENDITURES												
Routine Maintenance	34,595	55,790	19,409	13,361	16,426	12,679	0	0	0	0	70,430	81,830
Winter Maintenance	0	0	18,143	23,311	16,426	18,294	0	0	0	0	34,569	41,605
Public Safety	8,212	300	0	0	0	0	0	0	0	0	8,212	300
Other Administration	120,660	123,146	876	1,716	280	329	0	0	0	0	121,816	125,191
Community and Economic Development	11,271	4,918	0	0	0	0	0	0	0	0	11,271	4,918
Recreation and Culture	56,200	29,734	0	0	0	0	0	0	0	20	56,200	29,754
Other Functions	24,380	20,181	224	380	22	4,575	0	0	0	0	24,626	25,136
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0
Capital Outlay	9,230	0	8,458	0	15,080	0	0	0	20,940	0	53,708	0
Total Expenditures	264,548	234,069	47,110	38,768	48,234	35,877	0	0	20,940	20	380,832	308,734
EXCESS REVENUES OVER (UNDER) EXPENDITURES	93,116	147,940	(7,635)	(643)	(28,997)	(17,780)	9,496	10,722	(18,484)	14	47,496	140,253
FUND BALANCE, BEGINNING	520,471	558,997	77,686	91,891	32,420	50,017	252,526	238,225	23,602	5,118	906,705	944,248
Transfer In(out)	(54,590)	(61,376)	21,840	0	46,594	0	(23,797)	0	0	0	(9,953)	(61,376)
FUND BALANCE, ENDING	\$558,997	\$645,561	\$91,891	\$91,248	\$50,017	\$32,237	\$238,225	\$248,947	\$5,118	\$5,132	\$944,248	\$1,023,125

The footnotes are an integral part of these Financial Statements.

Village of Beulah
Reconciliation of the Balance Sheet
to the Statement of Net Assets
December 31, 2007

Fund Balance - Total Governmental Funds	\$1,023,126
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Amounts reported for governmental activities in the statement of net assets are different because:

General Governmental Capital Assets of \$1,263,983 net of accumulated depreciation of \$ 718,932 are not financial resources and not reported in the funds. Net additions	545,051
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Amount in Tax Fund	<div style="border-top: 1px solid black; display: inline-block; width: 100%;">0</div>
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Net Assets of Governmental Activities	\$1,568,177
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Village of Beulah
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
December 31, 2007

Change in Fund Balance - Total Governmental Funds	\$78,877
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Governmental funds report capital outlays as expenditures.	10,026
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Governmental Depreciation	(52,454)
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Payment of long term debt	<div style="border-top: 1px solid black; display: inline-block; width: 100%;">0</div>
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Change in Net Assets	\$36,449
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The footnotes are an integral part of these Financial Statements.

VILLAGE OF BEULAH
Comparative Balance Sheet
All Enterprise Funds
For the Years Ended December 31, 2006 & December 31, 2007

	2006	2007
ASSETS		
<i>Current Assets</i>		
Cash	\$67,022	\$67,606
Cash-Restricted	162,812	242,954
Account Receivable - Trade	45,614	4,635
Due From Other Funds	40,112	27,645
Taxes Receivable	0	4,848
Inventory	22,500	22,500
<i>Non-Current Assets</i>		
Work In Process	23,000	48,147
Property, Plant & Equipment	4,279,994	4,279,994
Less: Accumulated Depreciation	(1,989,187)	(2,133,359)
Total Assets	<u>2,651,867</u>	<u>2,564,970</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES:		
Accounts Payable		
Deferred Revenue		
Security Deposits		
Construction In Progress Payable		33,000
Accrued Interest Payable		
Due To Other Funds		23,000
Bonds Payable	904,127	844,127
Total Liabilities	<u>904,127</u>	<u>900,127</u>
FUND EQUITY:		
Retained Earnings		
Unreserved	175,748	1,578,580
Reserved	1,571,992	86,263
Total Fund Equity	<u>1,747,740</u>	<u>1,664,843</u>
Total Liabilities and Fund Equity	<u>\$2,651,867</u>	<u>\$2,564,970</u>

VILLAGE OF BEULAH
Comparative Statement of Revenues, Expenses and Changes in Retained Earnings
All Enterprise Funds
For the Years Ended December 31, 2006 & December 31, 2007

	2006	2007
OPERATING REVENUES		
Charges for Service - Water	\$81,124	\$73,105
Charges for Service - Sewer	83,640	106,396
Refunds and Other	66,423	63,109
	<hr/>	<hr/>
Total Revenues	231,187	242,610
OPERATING EXPENDITURES		
Operations and Maintenance	260,438	179,496
Interest Expense		31,152
Administration		144,171
Depreciation and Amortization	144,119	144,171
	<hr/>	<hr/>
Total Expenditures	404,557	354,819
OPERATING INCOME (LOSS)	(173,370)	(112,209)
NON-OPERATING INCOME (EXPENSE)		
Tax Assessments	44,848	54,573
Interest on Investments	5,126	4,742
Sewer Debt Fees	39,041	0
Gain(loss) on Disposal of Assets	0	0
Bond Interest and Fees	(24,103)	(22,603)
	<hr/>	<hr/>
Total Non-Operating Income (Expenses)	64,912	36,712
NET INCOME (LOSS)	(108,458)	(75,497)
Transfers In	10,000	100
RETAINED EARNINGS, BEGINNING	<hr/>	<hr/>
	1,838,699	1,740,240
RETAINED EARNINGS, ENDING	<hr/>	<hr/>
	\$1,740,241	\$1,664,843

VILLAGE OF BEULAH
Combining Statement of Cash Flows
All Enterprise Funds
For the Year Ended December 31, 2007

	Water & Sewer Fund	Equipment Pool Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Operating Income	\$33,470	(\$5,587)	\$27,883
Adjustment to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
Depreciation	120,905	0	120,905
(Increase) Decrease in Account Receivable - Trade	40,979	0	40,979
(Increase) Decrease in Grant Receivable	0	0	0
(Increase) Decrease in Property Taxes Receivable	(4,848)	0	(4,848)
(Increase) Decrease in Inventory	(7,500)	0	(7,500)
(Increase) Decrease in Work in Process	(25,147)	0	(25,147)
(Increase) Decrease in Due From Other Funds	12,467	0	12,467
Increase (Decrease) in Deferred Revenue	33,000	0	33,000
Increase (Decrease) in Accounts Payable	0	0	0
Increase (Decrease) In Due To Other Funds	23,000	0	23,000
Increase (Decrease) in Accrued Interest Payable	0	0	0
Net Cash Provided by Operating Activities	226,326	(5,587)	220,739
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	4,742	0	4,742
Transfers in	0	0	0
Acquisition of Capital Assets	0	0	0
Net Cash Provided by Investing Activities	4,742	0	4,742
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid on Long-Term Debt	(22,603)	0	(22,603)
Principal paid on Long-Term Debt	(60,000)	0	(60,000)
Change in Reserved Retained Earnings	0	0	0
Net Cash Used by Financing Activities	(82,603)	0	(82,603)
TRANSFERS IN (OUT)	0	0	0
NET INCREASE IN CASH AND EQUIVALENTS	148,465	(5,587)	142,878
CASH AND EQUIVALENTS, BEGINNING	207,840	21,994	229,834
CASH AND EQUIVALENTS, ENDING	\$356,305	\$16,407	\$372,712

VILLAGE OF BEULAH
Balance Sheet
All Fiduciary Funds
December 31, 2007

ASSETS	
Cash	\$232,335
Total Assets	<u>232,335</u>
LIABILITIES AND FUND EQUITY	
LIABILITIES:	
Due to Other Funds	232,335
Total Liabilities	<u>232,335</u>
FUND EQUITY:	
Fund Equity	<u>0</u>
Total Fund Equity	<u>0</u>
Total Liabilities and Fund Equity	<u>\$232,335</u>

The footnotes are an integral part of these Financial Statements.

Village of Beulah
Notes to Financial Statements
For the Year Ended December 31, 2007

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Beulah have been prepared in accordance with generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

A. Reporting Entity

The Village of Beulah was incorporated in 1932 as a home rule Village. The Village operates under a charter adopted on January 25, 1932, as amended and is governed by an elected President-Council form of government. The Village population as of the 2000 census was 383 and the current state taxable valuation is \$25,663,147.

The criteria established by Statement 14 of the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity's financial statements are based primarily on the concept of financial accountability. On this basis, accordingly, the financial statements of certain other governmental organizations are not included in the financial statements of the Village.

Beulah Public Library. The Beulah Public Library has moved from the Village Hall Building and serves the general public. The Library Board is not appointed, controlled by or responsible to the Village Council. Library operations and management functions are totally separate from the Village and the Library is required to have a separate audit of its financial statements. Based on these facts, the Village does not consider the Library as part of its reporting entity and does not include the financial activity of the Library Board in these financial statements.

B. Government —Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

Village of Beulah
Notes to Financial Statements
For the Year Ended December 31, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Village collects property taxes between July 1 and September 15. After this time, the taxes become delinquent and must be paid at the County Treasurer's office. The County pays the Village for uncollected taxes from the proceeds of revolving tax notes. Personal property taxes are the responsibility of the Village to collect. Delinquent real property taxes receivable are offset by deferred revenue on the Village's balance sheet, as these accounts are not normally received within sixty days of year-end, and are therefore not available to finance operations.

Village of Beulah
Notes to Financial Statements
For the Year Ended December 31, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenues are recognized in the accounting period in which they become susceptible to accrual; that is when they become both measurable and available to finance expenditures of the fiscal period. Property taxes and state-shared revenue associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue in the current period. All other revenue items are considered to be available only when the cash is received by the government.

The local unit reports the following major governmental funds:

General Fund - This Fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state distributions, and other intergovernmental revenues.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The major special revenue funds maintained by the Village are the Major Streets, Local Streets, Public Improvement and Capital Projects Funds.

Capital Projects Fund — Capital Project Funds are used to account for the acquisition or construction of major capital facilities by governmental units that are not accounted for by proprietary funds and trust funds.

The Village also maintains the following non-major Special Revenue Funds: Water and Sewer Improvement Fund and Debt Service Fund.

The local unit reports the following major proprietary fund:

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The Water & Sewer Fund is operated with the intention that the cost of providing water services to the public will be financed or recovered primarily through charges to users.

Additionally, the government reports the following fund types:

Motor Vehicle Fund - Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. The Village operates a Motor Vehicle Equipment Pool Fund.

Village of Beulah
Notes to Financial Statements
For the Year Ended December 31, 2007

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business type activities.

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are the tax fund and the related funds. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds principal ongoing operations. The principal operating revenue of the proprietary fund relates to charges to customers for sales and services, including tap fees intended to recover current costs such as labor and material to hook up new customers. The portion of charges intended to recover the cost of the infrastructure is recognized as non-operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments- Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Accounts Receivable - Accounts Receivable are recorded in the Water Fund at the time customers are billed for current services. Uncollected delinquent accounts are placed on the customer's tax bill in the summer and any amounts not collected by the Village are turned over to the County.

Village of Beulah
Notes to Financial Statements
For the Year Ended December 31, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Inventories - Proprietary Fund type inventories are estimated at year-end, and are reflected in the Financial Statement. General Fund inventories consist of garbage bags to be resold and are recorded at cost.

Vacation and Sick Leave - The Village has a formal personnel policy relating to vacation and sick leave. All vacations must be taken within twelve months of the seniority date. Each employee will be entitled to six days per year sick leave, cumulative up to ninety days. Upon termination of employment, the employee will not receive pay for any unused portion. Because of this, unused sick leave is recognized when paid, and no liability is reflected in the financial statements.

Restricted Assets — The revenue bonds of the enterprise fund require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and bond reserve. These amounts have been classified as restricted assets.

Capital Assets — Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Generally, capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of capital assets are maintained in the vehicle pool. However, the bulk of these assets are used and maintained within the proprietary fund and hence are rolled into the water and sewer fund for the reporting of business-type expenses.

Depreciation has been provided on these fixed assets using the straight line method over their estimated useful lives.

- | | |
|----------------------------------|-------------|
| ● Furniture and Office Equipment | 5 years |
| ● Maintenance Equipment | 7 years |
| ● Park Equipment and Structures | 10 years |
| ● Buildings and Improvements | 30 years |
| ● Water & Sewer Fund | 10-50 years |
| ● Motor Vehicle Fund | 5-10 years |

Village of Beulah
Notes to Financial Statements
For the Year Ended December 31, 2007

NOTE 2-STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

The General Fund and Special Revenue Fund types are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified accrual basis. It is used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Village.

In the body of the financial statements the Villages actual expenditures and budgeted expenditures for the budgetary funds have been shown on a function basis. The approved budgets of the Village for these budgetary funds were adopted at the activity level.

Encumbrance accounting is not used and appropriations lapse at year-end.

B. Budget Compliance

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. For the current year, the Village incurred the following expenditures in excess of the amounts appropriated.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund: Village Council	\$24,200	\$25,687	\$(1,487)
Other General	56,450	66,336	(9,886)

The Capital Projects Fund is a new fund in 2005 maintained for the construction of Trailhead and Visitor Center in the Village. In the prior year, the receipts and disbursements were accounted for in an agency fund because it was undetermined who would "own" the building. During 2005, it was determined the Village would lease the land as well as own and maintain the building. No budget was established and none is required under P.A. 621 of 1978, as amended.

Village of Beulah
Notes to Financial Statements
For the Year Ended December 31, 2007

NOTE 3- DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Legal or Contractual Provisions for Deposits and Investments

The Michigan Political Subdivisions Act No. 20, Public Acts of 1943 as amended by act No. 217, Public Acts of 1982 and Public Act 196 of 1997, states the Village, by resolution, may authorize the Treasurer to invest surplus funds as follows:

1. In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
2. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection 2.
3. In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase.
4. In banker's acceptances of United States banks.
5. In mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

B. Types of Deposits and Investments

The Village maintains all its surplus funds with local banks in the form of savings/checking accounts and certificates of deposit. Interpreting FDIC rules regarding the \$100,000 insurance limit to apply separately to the demand and time deposits of public units, GASB statement 3 risk disclosures for the Village are as follows:

Category 1 Insured or collateralized with securities held by the entity or its agent in the entity's name.

Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in entity's name.

Category 3 Un-collateralized

C. Deposits

	<i>Category 1</i>	<i>Category 3</i>
	Insured	Uninsured
Cash	\$200,000	\$790,046

Village of Beulah
Notes to Financial Statements
For the Year Ended December 31, 2007

NOTE 4 - SUMMARY OF CAPITAL ASSETS

Capital asset activity of the primary government for the current year is summarized as follows:

A Governmental Activities

	<i>Beginning</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>
Capital Assets Not Being Depreciated				
Land	\$ 29,781			\$ 29,781
Capital Assets Being Depreciated				
Land Improvements	81,207			81,207
Buildings	520,419	10,026		530,445
Equipment	204,103			204,103
Roads/Paving	96,318			96,318
Vehicles Equip	322,129			322,129
Total	1,253,957	10,206		1,263,983
Accumulated Depreciation				
Land Improvements	24,259	2,711		26,970
Buildings	251,564	10,435		261,999
Equipment	174,990	5,100		180,090
Roads/Paving	8,553	4,234		12,787
Vehicles Equip	207,112	29,974		237,086
Total	666,478	52,454		718,932
Net General Assets	587,479	(42,428)		545,051

Village of Beulah
Notes to Financial Statements
For the Year Ended December 31, 2007

NOTE 4 - SUMMARY OF CAPITAL ASSETS

Business-Type Activities

	<i>Beginning</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>
Construction In Progress	\$23,000	\$25,147		\$48,147
Water Plant & Systems	1,304,743			1,304,743
Sewage Systems	2,653,122			2,653,122
Accumulated Depreciation				
Water Plant & Systems	(638,707)	(39,678)		(678,385)
Sewage Systems	(1,143,368)	(81,467)		(1,224,835)
Net Business Systems	2,198,790	(95,998)		2,102,792

NOTE 5 - LONG TERM DEBT

The following is a summary of transactions that occurred in bonds payable during the year ended December 31, 2007:

	1999 Limited Tax Sewer Bonds	1999 Unlimited Tax Sewer Bonds	2007 Sewer Bonds
Beginning Balances	\$110,000	\$854,127	0
Debt Payments	5,000	55,000	0
Ending Balance	105,000	799,127	33,000

Village of Beulah
Notes to Financial Statements
For the Year Ended December 31, 2007

NOTE 5 - LONG TERM DEBT - continued

1999 General Obligation Sewer Improvement Bonds

On August 5, 1999, the Village approved bonds in the principal amount of \$1,340,000 for the purpose of defraying a part of the cost of constructing Sewer System improvements. The bonds are payable through an annual property tax levy and special user fee sufficient to pay the interest and principal as they fall due.

1999 General Obligation Limited Tax Bonds. The payment schedule is as follows:

	Payment	Interest	Principal
2008	7,500	2,500	5,000
2009	7,375	2,375	5,000
2010	7,250	2,250	5,000
2011	7,125	2,125	5,000
2012	12,000	2,000	10,000
2013-2017	56,250	6,250	50,000
2018-2019	20,750	750	20,000

1999 General Obligation Unlimited Tax Sewer Bonds - Interest payable October 1 and April 1 of each year, with principal (\$1,200,000) due on October 1 of each year as follows:

	Payment	Interest	Principal
2008	73,603	18,603	55,000
2009	72,228	17,228	55,000
2010	70,823	15,803	55,000
2011	69,478	14,478	55,000
2012	73,103	13,103	60,000
2013-2017	357,641	42,641	315,000
2018-2019	154,708	5,581	149,127

The 2007 Construction Bond is interest only until the project is complete. Draws are taken as the work progresses. Draws to date total \$33,000.

Village of Beulah
Notes to Financial Statements
For the Year Ended December 31, 2007

NOTE 6- RETIREMENT PLANS

A SIMPLE IRA Plan was made available to all Village employees beginning in January of 2002. Employees may contribute a portion of their annual wages before taxes to the Plan. The Village matches employee contributions up to 3% of gross wages. The contribution expense for the year ended December 31, 2007 was \$1,318.

NOTE 7- LEASES

The Friends of the Betsie Valley Trail, Rotary charities and the Village joined to build a visitors' center at the Betsie Valley trailhead in the Village of Beulah. The building is built on property owned by the State of Michigan and leased to the Village of Beulah. The initial term of the lease is 25 years beginning July 1, 2005 with no lease payment. However, the Village is responsible for the maintenance and upkeep of the building according to the terms of the lease. For 2006, the Village has budgeted for the maintenance as part of its buildings and grounds budget activity in the general fund of the Village.

NOTE 8-TRANSFERS

Transfers from the general fund have been made to the major and local street funds to the improvement of Village infrastructure.

NOTE 9- RISK MANAGEMENT

The Village pays an annual premium to Michigan Municipal Underwriters for its general insurance coverage through the Michigan Township Participating Plan. The Village carries coverage for property damage, liability, wrongful acts, automobile, crime, and inland marine claims. Also, the Village carries workers compensation insurance with Accident Fund of Michigan. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Village carries health insurance with Michigan Municipal League.

NOTE 10- COMMITMENTS

The Village is in the process of planning and engineering improvements to its water and sewer system. The Village expects to issue bonds to fund the improvements estimated to cost 2.2 million dollars. In addition, the Village has incurred approximately \$23,000 in costs related to the engineering and planning of the new project during 2006.

Village of Beulah
Notes to Financial Statements
For the Year Ended December 31, 2007

NOTE 12-USE OF ESTIMATES

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

SUPPLEMENTAL STATEMENTS

WILSON, WARD CPA FIRM

P.O. Box 205
3015 M-137
Interlochen, MI 49643

(231) 276-7668

Fax: (231) 276-7687

E-mail: wilson@wilsonward.com

To the Beulah Village Council
Beulah, MI

We have audited the combined financial statements of the Village of Beulah, Michigan for the year ended December 31, 2007. Our audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of the additional analysis and are not a required part of the combined financials statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Wilson Ward CPA Firm

Interlochen, MI
June 12, 2008

General Fund

VILLAGE OF BEULAH
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund-Budget vs. Actual
For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenue</u>				
Current Property Taxes	\$215,000	\$215,000	\$236,547	\$21,547
Personal	6,000	6,000	6,166	166
Admin Fees	2,500	2,500	2,632	132
Licenses and Permits	10,500	14,725	12,250	(2,475)
State Shared Revenues	32,000	30,000	31,193	1,193
Insurance Paybacks	0	0	0	0
Earned Interest	10,000	10,000	16,376	6,376
Rents and Royalties	61,000	50,000	50,553	553
Charges for Service	10,400	10,300	12,325	2,025
Park Escrow	27,000	21,000	17,000	(4,000)
Other Revenue	20,500	22,000	0	(22,000)
Insurance Claim	0		2,914	2,914
Total Receipts	394,900	381,525	387,956	6,431
Incoming Transfers	0	20,000	0	(20,000)
Total Revenues	394,900	401,525	387,956	(13,569)
<u>Expenditure</u>				
Legislative				
Village Council	19,550	19,550	25,687	(6,137)
Accounting	9,100	9,100	9,225	(125)
Clerk	15,116	15,116	8,948	6,168
Treasurer	16,700	16,700	12,950	3,750
Hall and Grounds	65,780	65,780	55,790	9,990
Other General Govt	62,850	62,850	66,336	(3,486)
Total General Government	189,096	189,096	178,936	10,160
Public Safety				
Police Department	10,000	10,000	300	9,700
Total Public Safety	10,000	10,000	300	9,700
Public Works				
Street Lights	12,000	12,000	12,808	(808)
Sanitation	17,000	17,000	7,373	9,627
Total Public Works	29,000	29,000	20,181	8,819
Community and Economic Development				
Planning	300	300	0	300
Zoning	14,300	14,300	4,918	9,382
Total Community and Economic Development	14,600	14,600	4,918	9,682
Parks and Recreation	45,000	45,000	29,734	15,266
Contingency	0	0	0	0
Outgoing Transfers	148,925	148,925	61,376	87,549
Total Expenditures	\$436,621	\$436,621	\$295,445	\$141,176

Special Revenue Funds

VILLAGE OF BEULAH
Balance Sheet
Major Street
For the Year Ended December 31, 2006 & December 31, 2007

	2006	2007
ASSETS		
Cash	\$91,891	\$91,248
Due From General Fund	0	0
Due From State	0	0
Taxes Receivable	0	0
	<hr/>	<hr/>
Total Assets	\$91,891	\$91,248
	<hr/>	<hr/>
LIABILITIES & FUND BALANCE		
Deferred Revenue	\$0	\$0
Fund Balance	91,891	91,248
	<hr/>	<hr/>
Total Liabilities & Fund Balance	\$91,891	\$91,248
	<hr/>	<hr/>

The footnotes are an integral part of these Financial Statements.

VILLAGE OF BEULAH
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Major Street
For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State Shared	\$40,000	\$40,000	\$37,494	(\$2,506)
Interest	500	500	631	131
Road Taxes	0	0	0	0
Contingency	0	0	0	0
Total Revenues	40,500	40,500	38,125	(2,375)
EXPENDITURES				
Public Works:				
Administration	2,800	2,800	1,716	1,084
Highways, Streets and Bridges:				
Routine Maintenance	20,280	20,280	13,361	6,919
Winter Maintenance	31,050	31,050	23,311	7,739
Contracted Services	1,000	1,000	380	620
Capital Outlay	0	0	0	0
Total Expenditures	55,130	55,130	38,768	16,362
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(14,630)	(14,630)	(643)	13,987
Other Financing Sources / (Uses)				
Transfer in	0		0	
Transfer Out				
FUND BALANCE, BEGINNING OF YEAR			91,891	
FUND BALANCE, END OF YEAR			<u>\$91,248</u>	

The footnotes are an integral part of these Financial Statements.

VILLAGE OF BEULAH
Balance Sheet
Local Street
For the Year Ended December 31, 2006 & December 31, 2007

	2006	2007
ASSETS		
Cash	\$50,017	\$32,237
Due From General Fund	0	0
Due From State	0	0
Taxes Receivable	0	0
	<hr/>	<hr/>
Total Assets	<u>50,017</u>	<u>32,237</u>
 LIABILITIES & FUND BALANCE		
Deferred Revenue	0	0
Fund Balance	<u>50,017</u>	<u>32,237</u>
Total Liabilities & Fund Balance	<u>\$50,017</u>	<u>\$32,237</u>

The footnotes are an integral part of these Financial Statements.

VILLAGE OF BEULAH
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Local Street
For the Year Ended December 31, 2006 & December 31, 2007

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
State Shared	\$16,000	\$16,000	\$17,799	\$1,799
Interest	150	150	298	148
Road Taxes	0	0	0	0
Contingency	0	0	0	0
Total Revenues	16,150	16,150	18,097	1,947
EXPENDITURES				
Public Works:				
Administration	1,450	1,450	329	1,121
Highways, Streets and Bridges:				
Routine Maintenance	22,100	22,100	12,679	9,421
Winter Maintenance	22,750	22,750	18,294	4,456
Contracted Services	500	500	4,575	(4,075)
Capital Outlay	15,000	15,000	0	15,000
Total Expenditures	61,800	61,800	35,877	25,923
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(45,650)	(45,650)	(17,780)	27,870
Other Financing Sources / (Uses)				
Transfer in	0	0	0	
Transfer Out				
FUND BALANCE, BEGINNING OF YEAR			50,017	
FUND BALANCE, END OF YEAR			<u>\$32,237</u>	

The footnotes are an integral part of these Financial Statements.

VILLAGE OF BEULAH
Combining Comparative Balance Sheet
All Non Major Funds
December 31, 2006 & December 31, 2007

	Water & Sewer Improvement Fund		Debt Service Fund		Trailhead & Visitors Center Fund		Total	
	2006	2007	2006	2007	2006	2007	2006	2007
ASSETS								
Cash	\$5,098	\$5,132	\$0	\$0	\$20	\$0	\$5,098	\$5,132
Due From General Fund	0	0	0	0			0	0
Due From State	0	0	0	0			0	0
Taxes Receivable	0	0	2,180	0			2,180	0
							0	0
Total Assets	5,098	5,132	2,180	0	20	0	7,278	5,132
LIABILITIES AND FUND EQUITY								
LIABILITIES:								
Accounts Payable	0	0	0	0			0	0
Due to Other Funds	0	0	0	0			0	0
Deferred Taxes	0	0	2,180	0			2,180	0
Total Liabilities	0	0	2,180	0	0	0	2,180	0
FUND EQUITY:								
Fund Balance:								
Unreserved	5,098	5,132	0	0	20	0	5,098	5,132
Total Fund Equity	5,098	5,132	0	0	20	0	5,098	5,132
Total Liabilities and Fund Equity	\$5,098	\$5,132	\$2,180	\$0	\$20	\$0	\$7,278	\$5,132

VILLAGE OF BEULAH
Combining Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
All Non Major Funds
For the Year Ended December 31, 2006 & December 31, 2007

	Water & Sewer Improvement Fund		Debt Service Fund		Trailhead & Visitors Center Fund		Total	
	2006	2007	2006	2007	2006	2007	2006	2007
REVENUES								
Taxes	\$0	\$0	\$2,129	\$0	\$0	\$0	\$2,129	\$0
State Shared								
Licenses and Permits								
Charges for Services								
Interest	47	34	280	0	0	0	327	34
Contributions & Donations								
Reimbursements								
Refunds								
Other								
Total Revenues	47	34	2,409	0	0	0	2,456	34
EXPENDITURES								
Routine Maintenance								
Winter Maintenance								
Public Safety								
Other Administration								
Community and Economic Development								
Recreation and Culture	0	0	0	0	0	20	0	20
Other Functions								
Debt Service								
Capital Outlay	0	0	20,940	0	0	0	20,940	0
Total Expenditures	0	0	20,940	0	0	20	20,940	20
EXCESS REVENUES OVER (UNDER) EXPENDITURES	47	34	(18,531)	0	0	(20)	(18,484)	14
FUND BALANCE, BEGINNING	5,061	5,098	18,531	0	20	20	23,602	5,118
Transfer In	(23,797)	0	0	0	0	0	0	0
FUND BALANCE, ENDING	\$5,098	\$5,132	\$0	\$0	\$20	\$0	\$5,118	\$5,132

Proprietary Funds

VILLAGE OF BEULAH
Combining Comparative Balance Sheet
All Non Major Enterprise Funds
For the Years Ended December 31, 2006 & December 31, 2007

	Water & Sewer Fund		Equipment Pool Fund		Total	
	2006	2007	2006	2007	2006	2007
ASSETS						
<i>Current Assts</i>						
Cash	\$45,028	\$51,199	21,994	16,407	67,022	67,606
Cash-Restricted	162,812	\$242,954			162,812	242,954
Account Receivable - Trade	45,614	4,635			45,614	4,635
Due From Other Funds	40,112	27,645			40,112	27,645
Taxes Receivable		4,848			0	4,848
Inventory	15,000	22,500			15,000	22,500
<i>Non-Current Assets</i>						
Work In Process	23,000	48,147			23,000	48,147
Property, Plant & Equipment	3,957,865	3,957,865	322,129	322,129	4,279,994	4,279,994
Less: Accumulated Depreciation	(1,782,075)	(1,902,980)	(207,112)	(230,379)	(1,989,187)	(2,133,359)
Total Assets	2,507,356	2,456,813	137,011	108,157	2,644,367	2,564,970
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
Accounts Payable						
Deferred Revenue						
Security Deposits						
Construction		33,000				33,000
Accrued Interest Payable						
Due To Other Funds		23,000				23,000
Bonds Payable	904,127	844,127			904,127	844,127
Total Liabilities	904,127	900,127			904,127	900,127
FUND EQUITY:						
Retained Earnings						
Unreserved	153,754	1,556,586	21,994	21,994	175,748	1,578,580
Reserved	1,449,475	100	115,017	86,163	1,564,492	86,263
Total Fund Equity	1,603,229	1,556,686	137,011	108,157	1,740,240	1,664,843
Total Liabilities and Fund Equity	\$2,507,356	\$2,456,813	\$137,011	\$108,157	\$2,644,367	\$2,564,970

VILLAGE OF BEULAH
Combining Comparative Statement of Revenues, Expenses and Changes in Retained Earnings
All Enterprise Funds
For the Years Ended December 31, 2006 & December 31, 2007

	Water and Sewer Fund		Equipment Pool Fund		Total	
	2006	2007	2006	2007	2006	2007
OPERATING REVENUES						
Charges for Service - Water	\$81,124	\$73,105			\$81,124	\$73,105
Charges for Service - Sewer	83,640	106,396			83,640	106,396
Refunds and Other	23,808	25,951	42,615	37,158	66,423	63,109
Total Revenues	188,572	205,452	42,615	37,158	231,187	242,610
OPERATING EXPENDITURES						
Operations and Maintenance	214,283	136,751	46,155	42,745	260,438	179,496
Interest Expense	0	0				0
Administration	0	31,152				31,152
Depreciation and Amortization	121,145	120,904	22,974	23,267	144,119	144,171
Total Expenditures	335,428	288,807	69,129	66,012	404,557	354,819
OPERATING INCOME (LOSS)	(146,856)	(83,355)	(26,514)	(28,854)	(173,370)	(112,209)
NON-OPERATING INCOME (EXPENSE)						
Tax Assessments	44,848	54,573			44,848	54,573
Interest on Investments	4,962	4,742	164	0	5,126	4,742
Sewer Debt Fees	39,041				39,041	0
Gain(loss) on Disposal of Assets			0		0	0
Bond Interest and Fees	(24,103)	(22,603)			(24,103)	(22,603)
Total Non-Operating Income (Expenses)	64,748	36,712	164	0	64,912	36,712
NET INCOME (LOSS)	(82,108)	(46,643)	(26,350)	(28,854)	(108,458)	(75,497)
Transfers In	10,000				10,000	100
RETAINED EARNINGS, BEGINNING	1,675,338	1,603,230	163,361	137,011	1,838,699	1,740,240
RETAINED EARNINGS, ENDING	\$1,603,230	\$1,556,587	\$137,011	\$108,157	\$1,740,241	\$1,664,843

VILLAGE OF BEULAH
Combining Statement of Cash Flows
All Enterprise Funds
For the Year Ended December 31, 2007

	Water & Sewer Fund	Equipment Pool Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Operating Income	\$33,470	(\$28,854)	\$4,616
Adjustment to Reconcile Net Operating Income to Net Cash Provided by Operating Activities			
Depreciation	120,905	23,267	144,172
(Increase) Decrease in Account Receivable - Trade	40,979	0	40,979
(Increase) Decrease in Grant Receivable	0	0	0
(Increase) Decrease in Property Taxes Receivable	(4,848)	0	(4,848)
(Increase) Decrease in Inventory	(7,500)	0	(7,500)
(Increase) Decrease in Work in Process	(25,147)	0	(25,147)
(Increase) Decrease in Due From Other Funds	12,467	0	12,467
Increase (Decrease) in Deferred Revenue	33,000	0	33,000
Increase (Decrease) in Accounts Payable	0	0	0
Increase (Decrease) In Due To Other Funds	23,000	0	23,000
Increase (Decrease) in Accrued Interest Payable	0	0	0
Net Cash Provided by Operating Activities	226,326	(5,587)	220,739
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	4,742	0	4,742
Transfers in	0	0	0
Acquisition of Capital Assets	0	0	0
Net Cash Provided by Investing Activities	4,742	0	4,742
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid on Long-Term Debt	(22,603)	0	(22,603)
Principal paid on Long-Term Debt	(60,000)	0	(60,000)
Change in Reserved Retained Earnings	0	0	0
Net Cash Used by Financing Activities	(82,603)	0	(82,603)
TRANSFERS IN (OUT)	0	0	0
NET INCREASE IN CASH AND EQUIVALENTS	148,465	(5,587)	142,878
CASH AND EQUIVALENTS, BEGINNING	207,840	21,994	229,834
CASH AND EQUIVALENTS, ENDING	\$356,305	\$16,407	\$372,712

VILLAGE OF BEULAH
Combining Balance Sheet
Combining Water, Sewer and Sewer Construction Funds
For the Years Ended December 31, 2007

	Water Fund	Sewer Fund	2007 Sewer Construction	Total
ASSETS				
<i>Current Assets</i>				
Cash	\$17,731	\$25,515	\$7,953	\$51,199
Cash-Restricted		242,954		242,954
Account Receivable - Trade	1,900	2,735		4,635
Due From Other Funds		27,645		27,645
Taxes Receivable		4,848		4,848
Inventory	22,500			22,500
<i>Non-Current Assets</i>				
Work In Process	0	0	48,147	48,147
Property, Plant & Equipment	1,304,743	2,653,122		3,957,865
Less: Accumulated Depreciation	(678,145)	(1,224,835)		(1,902,980)
Total Assets	668,729	1,731,984	56,100	2,456,813
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts Payable				
Deferred Revenue				
Construction in Progress-payable		0	33,000	33,000
Accrued Interest Payable				
Due To Other Funds			23,000	23,000
Bonds Payable		844,127		844,127
Total Liabilities		844,127	56,000	900,127
FUND EQUITY:				
Retained Earnings				
Unreserved	668,729	887,857		1,556,586
Reserved			100	100
Total Fund Equity	668,729	887,857	100	1,556,686
Total Liabilities and Fund Equity	\$668,729	\$1,731,984	\$56,100	\$2,456,813

VILLAGE OF BEULAH
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Combining Water, Sewer and Sewer Construction Funds
For the Years Ended December 31, 2007

	Water Fund	Sewer Fund	Consturction Fund	Total
OPERATING REVENUES				
Charges for Service - Water	\$73,105			\$73,105
Charges for Service - Sewer		106,396		106,396
Refunds and Other	4,899	21,052		25,951
Total Revenues	78,004	127,448		205,452
OPERATING EXPENDITURES				
Operations and Maintenance	96,700	40,051		136,751
Interest Expense	0			
Administration	20,125	11,027		31,152
Depreciation and Amortization	39,438	81,467		120,904
Total Expenditures	156,263	132,545		288,808
OPERATING INCOME (LOSS)	(78,259)	(5,097)		(83,356)
NON-OPERATING INCOME (EXPENSE)				
Tax Assessments		54,573		54,573
Interest on Investments	1,944	2,798		4,742
Sewer Debt Fees				0
Gain(loss) on Disposal of Assets				0
Bond Interest and Fees		(22,603)		(22,603)
Total Non-Operating Income (Expense)	1,944	34,768		36,711
NET INCOME (LOSS)	(76,315)	29,671		(46,645)
Transfers In(Out)	50	(50)	100	100
RETAINED EARNINGS, BEGINNING	744,994	858,236	0	1,603,229
RETAINED EARNINGS, ENDING	\$668,729	\$887,857	\$100	\$1,556,684